

MARKET ANALYSIS - August 08, 2002

Michael Haigh-Assistant Professor
University of MD Cooperative Extension

With some fairly dramatic price movement throughout July, the question on everybody’s mind is what is in store for August. Of course, the main day-to-day driver throughout the month is going to be the weather, but the USDA’s Crop Production and Supply/Demand estimates due out on Monday, August 12th, will keep the weather moves in check. The report will be the first of the year for corn and many analysts are expecting the USDA to cut the average national yield from 135.8 bushels per acre to about 133, but this may well have been priced into the market price already. So don’t expect big moves to last on Monday when the numbers come out and don’t be surprised if prices even drop a tad because we have been overreacting to the bad weather over the last few weeks. Indeed, corn trade has been under pressure this week following better than expected weather and slow export demand. Indeed, a disappointing weekly export sales number of 327 old, and 177 thousand metric tons new, fell way below expectations of 600 – 800 thousand metric tons. Global demand is clearly being affected by these high prices. All said and done, nearby corn fell about a nickel on the week but basis improved in most regions of the state. Same advice as last week – forward covering is highly recommended at this point for most of the crop. In the soybean market, traders seemed to have become tired of ‘trading the weather’ and this week has exhibited the usual pre-report trading pattern (slow and mixed). We are at the peak moisture requirements for soybeans at present, so if rains do not come it may be possible to see more weather premium added to the futures. The soybean futures came under very light pressure by the end of the week when weekly export sales came out at 74 old and 192 new crop versus expectations of 150 – 300 thousand metric tons. Traders viewed this to be a fairly friendly item. Traders in the wheat pits looked for neighboring pits and yield results to give their commodity price direction. As such, wheat acted like a follower all week (following corn) but the occasional weather news report gave wheat some independent movement. However, wheat futures moved to a new high when an Australian agency reported that their nation’s production would be down to about 17.1 million metric tons this year – down 7 million from last year.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep02)	NEW (Dec02)	CASH (Sep02)	NEW(Nov02)	CASH(Sep02)	NEW(Jul03)
Baltimore	n/a	n/a	-\$.21	-\$.27	n/a	n/a
Western MD	+\$.19	n/a	-\$.32	n/a	-\$.41	n/a
Central MD	+\$.23	+\$.03	-\$.27	-\$.34	-\$.20	-\$.22
Southern MD	-\$.03	Even	-\$.04	-\$.24	-\$.26	-\$.29
Upper E. Sh	+\$.13	+\$.08	-\$.04	-\$.24	-\$.25	-\$.24
Lower E. Sh	+\$.31	+\$.19	+\$.08	-\$.16	-\$.22	-\$.25

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

The extended drought conditions are taking a toll on corn and soybeans. Over half of the **corn** crop is rated in poor to very poor condition. Corn progress is ahead of schedule with 86 percent **silked**, matching last year and 5 percent ahead of the five year average. Corn in the **dough** stage is 48 percent, 1 percent ahead of last year, and 13 percent ahead of the average. Any moisture that may be received may not benefit corn, but should help **soybeans** which are also progressing ahead of schedule. Soybeans are 53 percent **bloomed**, running 4 percent ahead of both last year and the five year average. Thirty percent of the crop is **setting pods**, 3 percent behind last year, and 2 percent ahead of the average. Soil moisture declined last week due to the dry conditions. **Topsoil** moisture is rated 17 percent adequate, 51 percent short, and 32 percent very short. **Subsoil** is rated 12 percent in adequate supply, 35 percent short, and 53 percent very short. **The Maryland Agricultural Statistics Service will issue the first corn and soybean yield forecasts August 12th.**

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	07/31	08/07	07/31	08/07	07/31	08/07	07/31	08/07
Baltimore	----	----	5.68	5.39	----	----	----	----
Western Md	2.77	2.69	5.34	5.23	3.00	3.05	1.40	1.41
Central MD	2.71	2.73	5.45	5.33	3.14	3.26	1.48	1.48
Southern MD	2.45	2.47	5.62	5.56	3.08	3.20	1.15	1.15
Upper E. Sh	2.61	2.63	5.60	5.56	3.09	3.21	1.28	1.30
Lower E. Sh	2.73	2.81	5.74	5.68	3.11	3.22	1.28	1.32

Soybean Meal

Lower Eastern Shore

Dealer's Average Cash Quotes (\$/ton)

Date	07/31	08/07	Date	07/31	08/07
48% Soybean Meal	217.00	217.00	44% Soybean Meal	205.00	207.00

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quotes

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	07/31	08/07	07/31	08/07	07/31	08/07	07/31	08/07
Baltimore	----	---	5.06	5.03	----	----	----	----
Western Md	----	----	----	----	----	----	----	----
Central MD	2.59	2.63	5.06	4.96	3.06	3.15	----	----
Southern MD	2.57	2.60	5.12	5.06	2.98	3.08	----	----
Upper E Shore	2.64	2.68	5.18	5.06	2.74	3.13	----	----
Lower E Shore	2.76	2.79	5.25	5.14	2.75	3.12	----	----

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Aug 07, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sept	249.00	Aug	560.00	Sept	346.25	Aug	181.40
Dec	260.00	Sept	550.75	Dec	358.00	Sept	176.90
Mr-03	264.50	Nov	530.50	Mr-03	364.75	Oct	168.50
May	267.25	Jan-03	531.50	May	353.00	Dec	166.40
Jul	269.25	Mar	531.25	Jul	337.50	Jan-03	165.70
Sept-03	255.25	May	531.75			Mar	164.60
Dec03	245.75	Jul	530.25			May	162.80

¹ \$/ton

HAY AND STRAW (\$/cwt)																
New Holland, PA - Aug 05, 2002 - \$/ton - 83 Loads																
Alfalfa 120.00-175.00		Timothy 92.00-170.00		Mixed 70.00-202.00		Straw 50.00-100.00		Orchardgrass 50.00-135.00		Ear Corn 95.00-100.00						
Westminster, MD - \$/bale -Aug 07, 2002 - 115 lots																
Alfalfa 1.20-5.10		Timothy 70-4.50		Timothy-Lrg Rd 20.00-24.00		Mixed 1.00-4.30		Straw .90-2.60		Grass .50-2.10		Grass-Lrg Rd 20.00-29.00				
POULTRY (Grade A) - Week Ending Aug 10, 2002										Negotiated Price, cents/lbs						
				Current Week		Week Ago		Month Ago		Year Ago						
NY Wtd Avg. (Fryers)				47.08		49.22		51.18		56.96						
12-City Composite				55.55		55.74		57.38		61.02						
LAMBS - Westminster, MD - \$/cwt - Aug 06, 2002																
H-Ch-P	80-120 lbs		70.00-77.00		Medium Ch		60.00-70.00		Sheep 12 Hd		Good	23.00-50.00				
	40-80 lbs		74.00-87.00								Fat	10.00-22.00				
TERMINAL MARKET HOGS-Aug 08, 2002							DIRECT MARKET HOGS - Westminster, MD -									
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		1&2	225-270 lbs		32.00-35.50		1&3	220-260 lbs		29.00-31.00		
a.m.		Base 185 lb Hog		300-449 lbs			270-300 lbs		28.00-31.00			275-300 lbs		25.00-28.00		
Eastern Cornbelt		44.00-49.13		21.49-26.80		2&3	300-350 lbs		18.00-20.00							
Iowa, Minn		44.00-53.50		11.00-24.88		Millsboro, DE Market Hogs - \$/cwt - \$30.32										
FEEDER PIGS - (\$/cwt)																
Gumboro, DE -							New Holland, PA - Aug 07, 2002									
Head:		Trend:					Head: 344		Trend: Small supply - \$40-\$50 - lower - 22% returned							
		Next Sale 8/19/02							43-70 lbs		20.00-42.00					
LIVE CATTLE FUTURES - CHICAGO MERCANTILE EXCHANGE- (\$ cwt.) - Aug 07, 2002							HOG FUTURES - CHICAGO MERCANTILE EXCHANGE - (\$ cwt.) - Aug 07, 2002									
Aug		64.62		Fb03		70.35		Aug		47.85		Fb03		43.35		
Oct		67.85		Apr		70.92		Oct		38.05		Apr		48.07		
Dec		69.35		Jun		66.57		Dec		37.77		May		55.40		
STOCKER-FEEDER CATTLE - (\$/cwt)																
Winchester, VA - Aug 05, 2002							Westminster, MD - Aug 06, 2002									
Steers	300- 400 lbs		94.00-96.00		Steers	300-500 lbs		72.00- 82.00								
	400- 500 lbs		89.00-93.00			500-600 lbs		75.00- 80.00								
	500- 600 lbs		83.00-88.00			600-700 lbs		68.00- 74.00								
	600- 700 lbs		74.00-82.00			700-900 lbs		65.00- 70.00								
	700- 800 lbs		69.75-72.50		Heifers	300-500 lbs		63.00- 70.00								
	900-1100 lbs		57.00-60.75			500-700 lbs		63.00- 72.00								
Heifers	300- 400 lbs		70.00-77.25		Hols Bulls	#1		94-115 lbs		110.00-130.00						
	400- 500 lbs		71.00-78.00							75.00-105.00						
	500- 600 lbs		68.50-73.00			#2		82- 94 lbs		45.00-105.00						
	600- 700 lbs		63.50-70.00		Hols Heifers	#1		90-110 lbs		450.00-530.00						
	700- 800 lbs		60.50-67.00			#2		80-110 lbs		200.00-390.00						
Lancaster, New Holland & Vintage - Week Ending - Aug 10, 2002																
Bull, Holstein		90-125 lbs		120.00-130.00		Plainer		90-125 lbs		70.00-121.00						
Heifers, Hols.		90-125 lbs		400.00-535.00		Plainer		80-125 lbs		150.00-500.00						
SLAUGHTER CATTLE (\$/cwt)																
Westminster, MD - Aug 07, 2002																
Fed Steers				Fed Heifers												
L-Ch		59.00-61.00		Ch 2&3		1100-1300 lbs		60.00-62.00								
Ch 2&3		52.00-54.00		YG-3&4				55.00-59.00								
Cows				Veal Calves												
Breakers		38.00-41.50		Good		80- 110 lbs		32.00-45.00								
Boners		36.00-40.00														
Lean		31.00-35.00														
Thin		31.00-DOWN														
Lancaster, New Holland & Vintage - Week Ending - Aug 10, 2002																
Steers, Choice 2-3		1110-1465 lbs		62.75-65.10		\$1 - \$1.50 lower										
Heifers, Choice 2-3 few		1110-1350 lbs		59.75-64.00		not well tested										
Cows, Breakers 75-80 pct lean				41.00-46.00		Mostly steady										
Bullocks, Select 1-3 few		1000-1325 lbs		55.00-58.75		n/a										
Bulls, YG-1		112501700 lbs		52.50-64.50		Steady - \$2 lower										
Vealer, Standard & Good		80- 110 lbs		40.00-60.00		\$10-\$12 higher										

For more information about this report, call 410-841-5740 or write:

MARYLAND DEPARTMENT OF AGRICULTURE
AGRICULTURAL STATISTICS SERVICE
50 Harry S Truman Parkway
Annapolis, MD 21401

Parris N.Glendening Governor
Kathleen Kennedy Townsend Lt. Governor
Hagner R. Mister Secretary of Agriculture
Bradley H. Powers Deputy Secretary of Agriculture